

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF MARATHON OIL PERMIAN LLC  
FOR COMPUSLORY POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NOS. 20864, 20865, 20866, 20867, 20868**

**MARATHON OIL PERMIAN LLC'S AMENDED PRE-HEARING STATEMENT**

Marathon Oil Permian LLC ("Marathon") submits this Amended Pre-Hearing Statement for the above-referenced cases pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Marathon Oil Permian LLC

**ATTORNEY**

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**OTHER PARTIES**

BTA Oil Producers, LLC

**ATTORNEY**

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**STATEMENT OF CASE**

**APPLICANT:**

In Case No. 20864, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the S/2 of Section 12, Township 23 South, Range 28 East and Section 7 of Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Valkyrie 12 WA Federal Com 7H, Valkyrie 12 WXY Federal Com 9H, Valkyrie 12 WA Federal Com 11H, Valkyrie 12 WD

Federal Com 8H, Valkyrie 12 WD Federal Com 10H, Valkyrie 12 WD Federal Com 12H, to be horizontally drilled. The producing area for these wells will be unorthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed.

In Case No. 20865, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the S/2 N/2 of Section 12 of Township 23 South, Range 28 East; and Section 7 of Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Valkyrie 12 SB Federal Com 13H well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed.

In Case No. 20866, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the N/2 of Section 12, Township 23 South, Range 28 East and Section 7 of Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Valkyrie 12 WXY Federal Com 1H, Valkyrie 12 WA Federal Com 3H, Valkyrie 12 WXY Federal Com 5H, Valkyrie 12 WD Federal Com 2H, Valkyrie 12 WD Federal Com 4H, Valkyrie 12 WD Federal Com 6H wells, to be horizontally drilled. The producing area for these wells will be unorthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed.

In Case No. 20867, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 S/2 of Section 12 of Township 23 South, Range 28 East; and Section 7 of Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Valkyrie 12 SB Federal Com 14H well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed.

In Case No. 20868, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the S/2 S/2 of Section 12 of Township 23 South, Range 28 East; and Section 7 of Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Valkyrie 12 SB Federal Com 15H well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as

operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed.

**PROPOSED EVIDENCE**

**APPLICANT:**

<b>WITNESS</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Landman: Chase Rice	Approx. 30 minutes	Approx. 8
Geologist: Rebecca Horne	Approx. 30 minutes	Approx. 15
Engineer: Billy Moore	Approx. 30 minutes	Approx. 6

**PROCEDURAL ISSUES**

After Marathon filed its prehearing statement, BTA filed a prehearing statement in Case Numbers 20865 and 20866, opposing Marathon’s applications in those two cases and identifying three witnesses. Marathon proposed continuing those two cases to BTA, which BTA indicated it opposed. Consequently, case numbers 20865 and 20866 are contested. As a result, Marathon is filing this amended prehearing statement identifying Marathon’s witnesses in response to BTA’s prehearing statement.

Counsel for BTA does not oppose case numbers 20864, 20867, 20868 being presented by affidavit. Consequently, Marathon intends to present those three cases by affidavit and consolidate them for hearing purposes.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on November 11, 2019:

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